

DIA HISTORICAL REVIEW PROGRAM  
RELEASE AS SANITIZED

2003

VIA AIR POUCH

RYBAT  
PRESUCCESS

DISPATCH NO. [ ]-467

~~SECRET~~  
CLASSIFICATION

TO : CHIEF, LINCOLN

DATE: 2 MARCH 1954

FROM : [ ]

INFO: CHIEF, WHD

SUBJECT: General [ ]  
Specific - Debriefings of ERRATIC/JUBILIST-II Conversations.

REF: LINC 733.

~~SECRET~~

~~SECRET~~

- 2 -

[ ]-467

8. The following assets of ERRATIC are listed on the basis that he has in his conversations essentially told the truth as he conceives the situation to exist. The [ ] is handicapped by not being fully apprised of our own precise plans and in having to hastily evaluate information which cannot be checked nor vouched for. The capability to evaluate with any degree of reliability the debriefed information in concrete terms of potential operational assets is hence denied us. However, it would appear, on these premises, ERRATIC potential assets are:

A. KUGOWN:

1. A political organization within Guatemala has pledged to it substantial leaders or members of recognized and respected active political parties.
2. A liason and continuing contact with pertinent [ ] military and political leaders to include the [ ]

Comment: There are no indications CALLIGERES is considered locally other than a swashbuckling entity who has little or no political or economic background or training. His advent into Guatemalan control, to many local observers, would mean a distressing period of chaos which would eventually lead to another coup before a normal tranquil government could be expected.

~~SECRET~~

~~SECRET~~

- 3 -

[ ]-467

On the other hand, such is the experience and maturity of ERRATIC that local general opinion, as the [ ] has been able to elicit, would indicate he inspires confidence the delivering coup would be well-planned; as bloodless and suave as prevailing circumstances permit; and result in a lasting, enduring regime well-qualified to continue in power and prepared to meet the complex readjustments of the disturbed economy with experienced and mature solutions. A third point of importance lies in the attitude of the [ ]. There is no evidence he has ever given even tacit consent for the CALLIGERIS movement to echelon forward through his territory. There are, on the other hand, many indications he has not, and will not, permit such a movement. The request of ERRATIC, due to long local residence and associations, might [ ]

[ ] and there is any question of it having been granted, then it is clearly essential to set ERRATIC to work to obtain it as the logical and best-placed entity.

B. KUFIRE:

Political associates and adherents in Guatemala represent grass-root strength not only to political aspects of the ERRATIC strength but as an intelligence potential. The external organization includes contacts and good will among the Salvadoran regime which not only are capable of KUGOWN political action but represent a potential KUFIRE byproduct of intelligence. While both ERRATIC and CALLIGERIS without question have spies in each others organization, the truth remains ERRATIC has as yet to be known to have taken into his organization in any position of confidence and trust anyone of the DELGADO type nor has he undertaken any ill-advised venture which has resulted in failure. Specific names are recorded in the attached debriefings with position in the ERRATIC organization and places of residence.

~~SECRET~~

~~SECRET~~

- 4 -

[ ] 467

C. KUHOOK:

ERRATIC makes no pretense of having an external striking force. He does, however, purport to have leaders in key military centers who are pledged to support his movement with their commands and friends on D-Day. He is also in a position to negotiate a desired safe-conduct for any echelon movement of men and arms through Salvador. He specifically has means and procedures to smuggle those items across the Guatemalan-Salvadoran border. While essentially he is without external propaganda machines and armed men nevertheless he has those essential capabilities necessary to arrange the uninterrupted flow of those armed men through Salvador and insure their entry into target areas. While his external propaganda is nothing more in reality than his own reputation for honor and integrity, nevertheless he has within Guatemala a grassroot organization which can blanket the target area by word of mouth support and helpful rumor.

9. It is pertinent to point out that ERRATIC has at no time been told [ ] is also in support of CALLIGERIS nor is it believed he even suspects this to be true. It is my definite recollection I was instructed this information could only be passed upon positive orders from LINCOLN and could presume a preparatory premise having been established with CALLIGERIS. This is mentioned to avoid a confusion which otherwise might exist from the accomplishment to advanced degree of Para 1D, HUL-A-62, wherein ERRATIC has been indoctrinated with the necessity that complete cooperation with CALLIGERIS is essential to successful removal of the present Guatemalan regime. ERRATIC is now so thoroughly convinced of this aspect that it is a good speculation he had by himself previously reached the same conclusion. It is now our problem to keep him from acting in accordance with that conviction and approaching CALLIGERIS on his own accord. This has been solved by suggesting [ ] might better do it for him and, additionally, function as a mediating catalyst since ERRATIC's past attempts at coordinated action reached by his own negotiations have always by his own admission been breached by CALLIGERIS.

[ ]  
CHARLES F. RENNELL

~~SECRET~~

~~SECRET~~

- 5 -

[ ]-467

INCLOSURES:

1. [ ] Letter.
2. Endorsed expression of views of KREBATIC.
3. List potential provisional government personnel.
4. Condensed items of provisional government platform.
5. Original copy, Guatemalan White Paper (nto enclosed, forwarded LINCOLN 26 February 1954 per LINC 746).
6. Minutes of seven meetings.

1 March 1954  
CFR/hdw

DISTRIBUTION:

- 2-LINCOLN w/encl 1,2,3,4, and 6 (Orig and one copy).
- 1-Washington w/encl 1,3,4, and 6 (one copy).
- 2-Files w/encl 1,3,4, and 6 (two copies).

~~SECRET~~

~~SECRET~~

Debriefing of JUBILIST

In re meeting Sunday, 21 February 1954 (Second meeting), JUBILIST-1/ERRATIC.

The meeting had been previously arranged by ERRATIC for the same location as the meeting of 20 February. However, JUBILIST-2 was intercepted at the base of the hill and his car sent on with the driver provided by ERRATIC. JUBILIST-2 was taken into ERRATIC's car, which ERRATIC drove personally, and brought by back roads into [ ] to ERRATIC's home, arriving there at approximately 10:30. Two and one-half hours were spent in conference. The following items ensued:

1. ERRATIC willing in every last detail to cooperate with our group and with HUFUS.
2. ERRATIC likes HUFUS even though he considers HUFUS has broken faith with him twice. One occasion was right after the 1950 election. After the voting had been completed, but within the two or three days necessary to count the ballots, HUFUS unsuccessfully attacked a quartel and thereupon gave ARBENZ a basis for declaring military government and avoiding elections. However ERRATIC respects HUFUS as a fighting man and sincere in his efforts. He states he is hot-headed and difficult but he has sacrificed much in his opposition to their mutual enemy and he thinks he is understanding of his complex personality.
3. [ ] ERRATIC is currently living on \$75,000 he has obtained from sale of [ ] property. JUBILIST-2 received as a second impression of ERRATIC that he is most intelligent and very humane—if he has any failing it would be that he is too charitable and willing to excuse a great deal. He has ability to charm and captivate an audience and would appear to be the antithesis of HUFUS.
4. ERRATIC made it evident he has the internal Guatemalan organization while HUFUS has the external organization.
5. ERRATIC seemed to accept the fact there can always be a last minute double cross in any association with HUFUS, but he is willing to risk joint action as a necessary element to rid Guatemala of its Communist government.
6. It was agreed daily meetings would be productive and should be anticipated on a continuing basis (note: JUBILIST-2 will need an operational car—has one spotted at approximately \$2500. His wife is already suspicious of fact he is demanding the family car daily in order to attend the meetings.
7. JUBILIST-2 is convinced HUFUS and ERRATIC must meet and sign a pact of agreement. He thinks he is capable to negotiate it. JUBILIST also assures us of the capability and capacity of JUBILIST-2 to so perform provided he is adequately apprized of our requirements.

~~SECRET~~

~~SECRET~~

- 2 -

8. It appears to JUBILIST-2 that ERRATIC is entirely amenable and the chief difficulty, if any, will lie in the attitude of RUFUS.

9. JUBILIST-2 feels ERRATIC and RUFUS should each make of record precisely what they want.

10. Both JUBILIST and JUBILIST-2 evaluate ERRATIC as the best presidential material and RUFUS as a possible Secretary of Defense and trusted Lieutenant to ERRATIC. ERRATIC told JUBILIST-2 that this had at one time been suggested by RUFUS as an agreement between them but RUFUS had later abrogated the agreement.

11. The next meeting was arranged for the afternoon of Tuesday, 23 February 1954.

~~SECRET~~

~~SECRET~~

Debriefing of JUBILIST

In re meeting Monday, 22 February 1954, 17:00-19:30, (Third meeting).

In the meeting of JUBILIST-2 and ERRATIC the following items were ascertained:

1. JUBILIST-2 concluded from ERRATIC's remarks that [ ]

2. ERRATIC neither smokes or drinks.

3. ERRATIC stated the system in the Guatemalan Embassy in El Salvador is that whereby money is received for the payment of expenses. The personnel signed a three-month's receipt and received one month's pay--the two months remainder is then divided between the Consul, Military Atache, and an unknown person. The ERRATIC spy within the [ ] became disaffected when he ran out of money and the other two months of his pay was not forthcoming, whereupon he offered his services to ERRATIC.

4. The border ranch near GUIJA belongs to (fn) MAGANA. ERRATIC learned of it originally from an [ ] in the last election by the name of [ ] has been extremely kind and very friendly to ERRATIC and, although [ ] does not fear him, nevertheless, ERRATIC fears his help might become a deterrent in his relationships with [ ]

5. [ ], according to ERRATIC, gave HUFUS [ ] most of which he passed on to DELGADO. He further stated a C-46 Aircraft was loaded in New Orleans with arms, grenades, etc. for HUFUS, but it never arrived in [ ]. It fell in the hands of [ ] and HUFUS, for all practical purposes now considers the equipment lost to him.

6. ERRATIC stated DELGADO was the real figure of the double cross which prompted the WSBURNT White Paper.

7. ERRATIC, in spite of HUFUS's temperament, wants to cooperate with him in the joint action. He feels all hostile people to the present government should so cooperate as a cuty. He thinks highly of Colonel Barrios PEÑA. He considers his supporters, due to lack of affluent backing, have been tested by circumstances so strong they can now be considered entirely ideologically motivated while the HUFUS supporters, in many cases, are adventurers and opportunists only drawn to him by his ready money. He feels HUFUS has been,

~~SECRET~~



~~SECRET~~

- 2 -

and is, penetrated and without a real test of loyalty among his followers.

8. He stated Barrios PENA has a brother in the WSBURNT Government (note: this brother is reputed a Communist).

9. ERRATIC has tight loyal cells in every department of WSBURNT but he is dubious of those Esquintla and San Jose cells.

10. It was again manifest to JUELIST-2 that ERRATIC considers he has the political organization while RUFUS has the military organization and that he has the internal organization, while RUFUS has the external striking force. ERRATIC apparently makes no claim of having an external military force.

11. ERRATIC considers the prime objective and first target that the present WSBURNT Government be put out of power.

12. JUELIST-2 convinced ERRATIC has capability to charm and the ability to influence political associates. He gives every indication of being utterly without physical fear.

13. ERRATIC stated he permits events and followers to plan for themselves and he is not advancing his own personal position, and that RUFUS suggested the aforementioned pact when it was agreed ERRATIC would be President and RUFUS, Secretary of Defense.

14. ERRATIC states he has enough local arms to completely equip 100 men or lightly equip 200 men in DIFROG. He does not feel this is inadequate since the arms should be in WSBURNT and not in DIFROG. His idea is that followers in WSBURNT can use their own arms or procure them by buying the police and penetrating the Army sources. He said silver bullets were the best for his purposes rather than lead.

15. He has ordered his followers and cells in WSBURNT never to show their hand or join an uprising unless the movement emanates from Guatemala City, in which case they are to present themselves to the key man in Guatemala City and proffer their services.

16. He stated any outside movement by itself would not only fail but actually strengthen the current WSBURNT Government. By the same token, laborers must be controlled or they will kill and loot without restraint.

17. ERRATIC stated the greatest obstacle to success is the 3000 exiled Communists in WSBURNT, and the next greatest obstacle is the Indian Campesinos who have all had military training.

~~SECRET~~

~~SECRET~~

- 3 -

18. He said the Army itself is ineffective since it is becoming essentially a group of shopkeepers and traders. He said officers buy the merchandise from the Army Commissaries with or without a down payment, and then sell the items and default on remaining payments.

19. He said although PELEGER was the man who had originally double crossed him in London and for whom he manifestly had no love, nevertheless, he must admit he was not the real leader among the Campesinos and exiles, but rather the man was GUTIERREZ.

20. The present WSBURNT Constitution makes it impossible for a man to become Constitutional President after leading a coup d'etat to dispose of a former government (note: these remarks of EREATIC are considered perhaps indicative of the real reason for his willingness for RIFUS to lead the military movement). EREATIC said he felt this was a good law but it must be circumvented. He said he thought this could be accomplished by the following three-phase consecutive procedure:

- A. Dispose of the present government by military action.
- B. Initiate a military dictator under a provisional military Junta.
- C. Prepare for, and undertaking of, elections for a duly-elected Constitutional President.

21. He stated an Economic Advisor was necessary immediately to prepare planning for the restoration of legal rights and reshuffling of seized properties in a just and equitable manner. He said the Campesinos will unquestionable resist any radical changes in the status quo of real property.

22. The next meeting was set for 14:00, Tuesday, 23 February 1954.

~~SECRET~~

~~SECRET~~

Debriefing of JUBILIST

In re meeting Tuesday, 23 February 1954, 14:00 (Fourth Meeting),  
JUBILIST-2/ERRATIC.

1. ERRATIC stated the key men in his organization are as follows:

[ ] , Bank of London, Guatemala City;  
[ ] dispenses funds, employed [ ] family, FII: family  
connected with JUBILIST's wife;  
[ ] key Guatemala man, [ ]  
[ ] Garrison to Garrison travel, [ ]  
[ ] ; and  
[ ] : Liaison with [ ] Government.

2. ERRATIC said he would provide his proposed personnel for the provisional government to JUBILIST-2 at the next meeting. He reaffirmed his position of amiability toward complete cooperation with HUFUS.

3. He said he was reliably informed HUFUS might initiate action prior to the Caracas Conference and he considered this would be fatal since the interior of Guatemala was not yet adequately organized. He said he would ask HUFUS to delay and wait for joint action and that he proposed, to gain his point, to say that he had PBPRIME support (Note: JUBILIST-2 considers this an attempt on ERRATIC's part to smoke out an ODYOKE connection so he immediately corrected ERRATIC and said his group was not ODYOKE but PBPRIME).. ERRATIC said he considered D-Day must be sometime within the two months after the Caracas Convention.

4. ERRATIC said he had an agent who would cross the line from Guatemala and immediately return and that it was extremely necessary as an emergency that this man be provided with 5,000 Colones (\$2000) to take back into Guatemala. He said it would take two weeks for this money to actually reach [ ] This is regarded by both JUBILIST and KENNEL as being a test of our assets and a requirement for proof of good faith. The money was hence provided under authority of HUI-A-62, Para 1, E). ERRATIC said large lump sums in WSEJUNT were in themselves suspicious and preferred to use small dribbles which could also better be controlled and distributed.

5. ERRATIC stated he controls three political parties pledged to him in Guatemala:

- A. The Redemption Party;
- B. The PUA (thorn) Party [ Partido Unica anti-Comunista ]; and
- C. Partido Juventud Nacionalista.

~~SECRET~~

~~SECRET~~

- 2 -

6. He said he had potential control of two military barracks: one of which is the Aurora Airport, where three of the twenty-five Air Officers are irrevocably pledged to him as well as ten men in the Infantry section.

7. He stated the police in themselves are a nonentity and that the [ ] is his man.

8. He says he believes the rank and file of the soldiers, as well as the career officers, will join with him but he feels the highest ranking military men have too much to loose and will not cooperate until a successful coup is accomplished due to the political aspects of their position.

Comments:

The guidance of HUL-4-62 having been exhausted as of this conference and a cable was sent to Headquarters apprising them of the rapid developments and asking for ratification of action to date and further additional guidance. It was agreed by JUBILIST and HENNEL that henceforth JUBILIST-2 would prepare an agenda and take it with him into the conferences, thus giving him opportunity to make accurate notes. It was felt previously to make deliberate notations would have a bad psychological effect on EHRATIC in the preliminary phases. It was further agreed that today's agenda would include the inquiry reference LINC 670 Para 2 in re [ ] as well as preliminary discussions to lead to the drafting of the proposed pact between EHRATIC and HUFUS.

Other items on the agenda are to obtain the list of potential personnel for the provisional government; additional key figures; an over all estimate of the financial requirements broken down into the three phase plan of action (i.e. coup, military declaration with Junta, a Constitutionally-elected President). JUBILIST also stated he would probably meet [ ] at the office of his brother-in-law that night and he would personally attempt to contrive to ascertain from [ ] whether or not he had given his blessing to the HUFUS movements within [ ]

The agenda for this meeting also includes delivery of the [ ]

~~SECRET~~

~~SECRET~~

Debriefing of JUBILIST

In re meeting Wednesday, 24 February 1954, 11:00 (Fifth meeting).

1. The meeting was held in Edificio Commercial--a new uncompleted building near Casino Club [ ]

2. The next meeting is set for Thursday, 25 February 1954, at 9:30. [ ]

[ ] Fears his arrest. If so, his age and physical condition would preclude his surviving. Acted as liason with ERRATIC MEN. ERRATIC very disturbed about him and would appreciate any word of him. Very worried.

4. [ ] is father-in-law of [ ] he is also a great patriot and ERRA...C would like to know if he is alive.

5. [ ] has been a great help to ERRATIC. Reliably anti-Communist.

6. Edgardo VALLENZUELA is not to be trusted and wants to be president of Honduras. Labelled by ERRATIC as "The tiger who junts lying down".

7. [ ] is married to ERRATIC's daughter and they live in [ ] Saw Tom MANN at State Department in Washington. Mann told him before we could drive Communism out of this hemisphere a complete change would have to be made in the State Department.

8. Women furnish 3/4 of the struggle against Communism. Sixty-one were killed in 1951 at Guatemala City. Men are too reluctant to admit their stand.

9. Says HUFUS is a selfish, greedy villain and he'll have to think over potential pact terms. (Note: This outspoken evaluation HUFUS can either be because of greater confidence in JUBILIST-2 or by realization he and HUFUS may be contenders for group favor. Believed the former).

10. Will advise tomorrow
- A. whether he will sign a pact, on what basis
  - B. when and where
  - C. cost estimate--short and long term

11. Yee-ek-as

~~SECRET~~

~~SECRET~~

\* 2 \*

12. JUBILIST-2 seeks a man of great integrity who would not let anyone up.

[ CHARLES F. BENNETT ]

~~SECRET~~

~~SECRET~~

Debriefing of JUBILIST

In re meeting Thursday, 24 February 1954, 11:00-12:30 (Sixth meeting).

1. Due transportation difficulties on the part of JUBILIST-2 the meeting was delayed two hours.

2. EHRATIC will definitely cooperate with HUFUS in any manner required for success in achieving their joint goal. However, he would like to make a few observations regarding HUFUS:

A. He is a self-styled hero surrounded by unleashed, unstable galant students who spend money on girls and parties—bragging what they will do in Guatemala.

B. Every three or four months they pull an abortive coup which fails. Then they celebrate and ask [ ] for more funds. (Comment: There is a speculation that HUFUS is an ARBENZ subsidized entity to absorb external opposition funds and that this position is responsible for his miraculous escape from prison).

3. Regarding the signing of a pact, he will be glad to sign a pact. However, before actually drawing it up, he must talk to associates in Guatemala, because any agreement would need the following:

A. HUFUS must lead all military preparations and operations from without.

B. He wants definite coordination of the outside with inside action.

C. The inner movement is the most important and the outside operation must be coordinated to internal organizational plans and action.

4. His reason for wanting to talk to his followers is he is reluctant to agree in the pact to anything which he and his followers cannot fulfill to the letter.

5. He states his friend [ ] is seventy years old but has a nephew of the same name who is only forty. He knows the older one very well and knows him to be a loyal, safe, reliable person who is bitterly opposed Communism. He comes from a very wealthy family and owns considerable property in the Caneles region of Guatemala. This is an important region of Guatemala from any operational viewpoint. [ ] has great influence in this particular region.

~~SECRET~~

~~SECRET~~

- 2 -

6. The main reason this is such an important region is because, previous to the ABBENZ Government, there was a large military organization there called the Division Canales. The Division Canales was famous for its Esprit d'Corp--very loyal and hardfighting men. The first thing ABBENZ did after entering office was to destroy this crack division as a real and present danger to his tenure of office. Everyone in that division and everyone in that entire region is anxious to restore the Division Canales. [ ] has a great deal of influence and is a key man in that region who could spearhead the restoration. (Note: ERRATIC would without doubt definitely accept the older [ ] as a mediator for anything).

7. The younger [ ] owns a small farm on Lake Amatitlan with the only authentic artesian spring in Guatemala. ERRATIC has great faith in this man, too, but not the complete trust and confidence he has in the older [ ]

8. ERRATIC will be agreeable to meet with RUFUS--but, not yet. He feels it essential a man such as [ ] act as go-between for all discussions and meetings. (Comment: ERRATIC received our false assurance RUFUS would not take pre-Caracas action to preclude further thought of contacting him) He would prefer the actual meeting, if it does materialize, be carried out with such a man chairman and mediator.

9. ERRATIC's observations about [ ] reactions to any arms movements would be as follows:

- A. Such movements are extremely dangerous and must be done carefully because [ ] is basically and thoroughly an Indian;
- B. He is suspicious of anything and everyone;
- C. It would be almost impossible to assure [ ] that uncontrolled arms would not be a threat to his own regime.
- D. As a solution to overcome [ ] probable attitude, ERRATIC feels clandestine air flights be made but about the middle or two-thirds through the program ERRATIC would tell [ ] the arms had entered [ ] approximately six to twelve months ago and all the arms and equipment had been taken out of [ ] immediately and are now in the proper hands in Guatemala. At that time [ ] reaction could be measured. If unfavorable, it would be too late for him to do anything about it.
- E. Actually ERRATIC can get arms out of [ ] immediately. On short notice he can have several thousand Guatemalans cross and return with the items by use of many unobstrusive points on border. He feels location of any airfield should be as close as possible to the Guatemalan border.

~~SECRET~~



~~SECRET~~

- 3 -

ERRATIC states the Hacienda [ ] which belongs to the [ ] families is available to him and it is very near [ ].

10. The [ ] Government and population is riddled with Communists. One of the worst is Colonel Alberto FUNES, now Ambassador to Guatemala, and as of this date of 25 February, he is in San Salvador. He accepts with open arms anything the Guatemalan Communists offer.

11. An uncle of [ ] He is an old Salvadoran lawyer who hates Communism and will do everything possible to assist ERRATIC.

12. Loses about 40% of the national income to the Army in the form of bribes and pacification payments, while ARBENZ loses 80% of the national income to the Communists.

13. ERRATIC cannot yet estimate costs of the intermediate or long term operations but will derive figures after conferring with his Guatemalan associates.

[ ] This woman is the important contact for all women's organizations in Guatemala. However, she is not a member of the Joan d'Arc group. (Note: These housewives and businesswomen of the middle and low classes circulate among the poor marketwomen, brothels, etc. They sew, knit, and do various work. Their main function, however, is to secure information and build loyalties. They influence their husbands and attempt to make them realize they are "selling Guatemala down-the-river.")

16. ERRATIC will inform them money will be forthcoming to authorized operations. Also, he will start to energize his internal organization toward a final climax of action.

17. ERRATIC states the following departments are worthy of the most confidence and reliance:

- A. San Marcos.
- B. Mazatenango [ ] is situated here).
- C. Jutupa (full of tough loyal patriots waiting for action).
- D. Jutiapa (a strong organization of 15-20 officers in the Garrison plus many Sergeants and Non-commissioned men).

~~SECRET~~

~~SECRET~~

- 4 -

18. He feels his movement is not too strong in Chiquimula. That is important, because it is the easiest place to gain control of the railroad between Puerto Barrios and Guatemala City. (Note: He will give us larger list and also an up-to-date list of every key Communist in Guatemala with functions etc.)

~~SECRET~~

~~SECRET~~

Debriefing of JUBILIST

In re meeting Friday, 26 February 1954, (Seventh meeting).

1. JUBILIST-2 said he was dissappointed that he was not permitted a car for meeting but that he entered this not for reward or compensation and he will continue. He said it was not his own original suggestion to ask for a car, but JUBILIST's when the awkwardness of the situation became apparent. He said he does not want salary or compensation unless the time from his business makes it necessary later. (Note: JUBILIST was told by RENNELL to permit JUBILIST-2 to rent a car since the security aspects in regard JUBILIST-2's wife and the isolation of meeting places demanded it as a necessity).

2. JUBILIST-2 says he is confused on two points:

- A. According to his original instructions, time was of the essence, and he was to proceed without delay. Now he is told he is proceeding too fast.
- B. He wanted to be sure that JUBILIST understood one thing--that he was not captured by ERRATIC's charm. He said he described him so that JUBILIST might see him as the intelligent and capable person he is.

3. JUBILIST-2 reemphasized to JUBILIST he had made every attempt to make a fair evaluation of the man as a matter of duty. JUBILIST says JUBILIST-2 made these remarks to him because of his constant admonition not to permit himself to be captivated by ERRATIC's charm or to "fall in love" with him. ERRATIC said [ ] distrusts and dislikes the Patria Nueva. This paper prints the truth even when it hurts [ ] and it sometimes hurts too much!

4. The following is ERRATIC's point of view in re: BARRIOS Peña:

- A. BARRIOS Pena is a descendent of General BARRIOS, who in 1871 started the classical Latin American liberal movement and change in Government to separate the State from the Church and thereby eliminate the influence of the Church in State affairs. He expelled monks; built schools, roads, telegraphs, and public works; and brought about a political and economic revolution in Guatemala similar to those of France and the United States in the 18th Century and the Latin American countries of the 19th Century.
- B. The son, the father of the present Colonel BARRIOS Pena, did nothing but bask in the glory of his father's achievements. The mother of the present BARRIOS Pena came from the upper, middle class of Guatemala. He was graduated from the Military

~~SECRET~~

~~SECRET~~

- 2 -

Academy in Guatemala and served under UBICO. He was originally very close to UBICO. However, as time passed, he began to dislike the type of like and inevitable reputation to which he was exposed serving under UBICO's severe dictatorship. Among other things, UBICO prohibited public assemblies of more than three people.

- C. He therefore left the Government to disassociate his name and reputation from the dictatorship. He reentered the Army and later became second in command of the Military Junta which put AREVALO in power in 1945. BARRIOS Pena then noticed in ARBENZ gradual change of policy to what was initially conceived of as socialism so he again left his official office in 1949. He went to New Orleans and started a boy's school which he still operates.
- D. Neither ERRATIC nor BARRIOS Pena are strong party partisans in the sense they consider their followers demand their support or are infallible. They consider party membership flexible and open. BARRIOS Pena feels there are many worthy men to fill each position so that he doesn't insist on any particular man. ERRATIC states he suggested BARRIOS Pena as Minister of Defense because he feels him to be the best man for the job. However, there are others who would be adequate, so ERRATIC states he is not adamant in regard to the provisional appointment. In his opinion BARRIOS Pena is not a professional politician but rather a career officer and has the confidence of many officers and men in the Guatemalan Army.
- E. During the past years of exile BARRIOS Pena has sent to ERRATIC several different plans for busting the Communists from Guatemala--some good and some bad. BARRIOS Pena has strong ambitions to eventually become president of Guatemala, but it is unlikely he will achieve that ambition since he is such a poor politician. He was a man of eminent position and a luxurious way of life but he willingly and without hesitation sacrificed these to fight Communism.
- F. Colonel Enrique PERALTA is the Guatemalan Military Atache in Washington. This man is violently anti-Communist, but detests politics. He is a career officer who has at least once refused the Presidency of Guatemala. (Note: ERRATIC stated when ARBENZ was plotting to overthrow the previous Guatemalan Government, ARBENZ told BARRIOS Pena his purpose was to put PERALTA in the office of president. PERALTA flatly refused, stating his duty as an officer was to the Country and he must be loyal to the current regime of UBICO. After ARBENZ came into power he

~~SECRET~~

~~SECRET~~

- 3 -

realized PERALTA is very popular with the Army and hence keeps him out of the Country. He was sent first to Chile, then Peru and finally to Washington.

5. ERRATIC stated the most able, clever spy for the Communists is a man by the name of Jose Luis ARENAS. His method for entry to Salvador will be with quite a show of publicity to seek asylum in the Salvadoran Embassy in Guatemala as a plotter against ARBENZ. He then hopes to be sent to Salvador as an exile where he can spy for Communism and attempt to penetrate and control the local movement against ARBENZ. (Note: The local press on 26 February 1954 had announced ARENAS had sought sanctuary in the Salvadoran Embassy.

6. JUBILIST-2 is especially anxious for a check on ERRATIC to confirm information he is giving us. Even more so because ERRATIC seems apparently ideal. He is a man of ethics and not promises as evidenced by his past history. He seems a real patriot interested primarily in his country's welfare. He never discredits anyone who is helping or can help the Country. He mentioned RUFUS's weaknesses only when he was forced to comment regarding them. He travels on a high level of society which accepts him because of his integrity, intelligence and understanding of his Country and its problems. When discussing these things he always eventually lapses into a discussion of national problems and of problems of the people. He hasn't talked about uniforms, military control, etc. which is what most men aspiring to office first think about. He also understands the class people—the Indians of his Country. [

7. When asked what he thought of the United Fruit Company; the IRCA; and the Electric Company, he did not leap to say that he would give them a free hand, restore concessions etc., as would most ambitious candidates, but instead, stated he knew such Companies function best in a free economy and contracts must be negotiated on a just basis. He further stated Latin American Countries present a long history of corrupt officials waiting to be bribed by wealthy foreign companies. This situation is bad for any country and bad for the companies as well. Were he to permit this it would merely start the vicious circle while the same activity, justly negotiated, would gain the respect and prosperity of both Countries and interested companies.

8. Labor Unions could be coped with in his opinion, by giving them their just due through fair bargaining. He would follow a middle-of-the-road policy. He states 80% of the laborers are not Communists. If given a fair chance, they are appreciative of fair dealing. He would propose to put labor on an equitable basis and he has a good man to do this job.

~~SECRET~~

~~SECRET~~

- 4 -

9. There is a difference between city and country labor. The city laborers present no great problem, if treated fairly. They earn their money and have ample means for saving it. But it is a great problem in Guatemala--the lack of facilities for saving money for the country laborer. In the city there are ample means for saving--in the home, in the banks etc., but the Campesino has no one with whom he can trust his money; no one to turn to; no place to go worthy of trust as a guide or depository in his savings program. There are no postal savings nor savings and loan associations. He cannot even trust his own family. Consequently, the country laborer just doesn't care. He will not work hard and he doesn't even want to have better clothes. They will be stolen while he is at work. ERRATIC definitely feels foreign advice and assistance is necessary to properly reorganize and establish Guatemalan economy. If people had more confidence and a means of saving they would work hard and save. For example, when he was [ ] and [ ] he personally tried through the rural schools to encourage children to save. [ ]

[ ] His efforts, however, ended in failure because, although the children would save, their parents would steal the savings. Hence ERRATIC feels the Campesino fundamentally needs a reliable depository and intends to do something about it. ERRATIC said this is also why the United Fruit Company cannot get more work from their employees. The more money they give them, the more often they get drunk.

10. An example of ERRATIC being a man without fear: When he was first [ ] in the "hora-nona" (the bad hour), he remained in hiding because the Salvadoran Government and the Guatemalan Government were then compatible and he was in disfavor. Pressures were exerted to force him to leave El Salvador. ERRATIC made a public statement saying for his personal welfare, he was sorry to leave Salvador but as a patriotic Guatemalan he was happy to see the Guatemalan Government had finally achieved domination of the Salvadoran Government and was dictating its policy (1950). He then told Osorio he predicted the Communists would intrigue against him and predicted a date. That prediction, and others, came true. As a result, he is now on very good terms with Osorio, evidenced by three years of living in Salvador openly with frequent audiences with Osorio. The Communists have not yet been able to force his departure from Salvador.

11. He stated in 1952 when the Communists ploy and the Rightist counter-ploy were uncovered, Osorio swung more to the right in his policies.

12. ERRATIC thinks whoever is the next president of Guatemala should ask for an International Commission to study the reorganization of Guatemala. He visualized this Commission to function after the fashion of the Hoover Commission in the United States. However, this could not be openly requested solely as a U.S. Commission, but would have to be a United Nations Commission. It could not openly be a U.S. Commission, but would have to be a United Nations Commission, since the former would be bad for both the Guatemalan and Central American public opinion. It would give the growing Communist Party in Costa Rica grounds to deplore anew that another Central American Government had sold out to U.S. capitalists. Incidentally, "so-called"

~~SECRET~~

~~SECRET~~

- 5 -

liberal spirit, which is now being bally-hoed in Costa Rica, reminds ERRATIC exactly of one "so-called" spirited society of ARREVALO in Guatemala which existed only to camouflage the Communist Government. ERRATIC states FIGUERES is an out-and-out Communist. He says the framework of the Guatemalan Government is a carry-over from the old Spanish Government and it is outmoded and inadequate to today's problems. The list he proposed of a new cabinet is subject to the following revisions: The list shows one man for Economia y Trabajo. [ ]

[ ] He realizes even the ruins which will be left after the Communists leave will require two men. For Economia, only, [ ] Licenciado Jesus Unda MURILLO. MURILLO now practices law in Guatemala and has had a brief career as judge and Justice of the High Court in Quezaltenango. He is respected by all classes. He was in ARREVALO's cabinet but, as soon as he perceived in cabinet meetings the definite Communist turn, he resigned and declared his loyalty to the opposition. [ ] ERRATIC found him very loyal and very versatile. He understands parliamentary procedure and could be an excellent President of the Assembly.

13. For the Minister of Labor ERRATIC [ ] ARENADES who was originally listed as Asistencia Soc. y Sanidad. [ ]

A. He has studied labor problems in the U.S. Universities.

B. His father is one of the ablest, if not the ablest, lawyer in Guatemala.

Jorge resigned from the ARREVALO Government, where he served as Consul in New York, when ARREVALO began persecuting anti-Communists. He returned to Guatemala and announced openly that he was resigning because the Government was backing an oppressive dictatorship. He stated he had received orders to impede travel in and out of Guatemala of all non-Communists. [ ]

[ ] He has had excellent discussions with ERRATIC regarding problems of the Campesinos which revolved about solutions to increasing their incentive and how to achieve it.

14. Doña Luz Castillio de VILLAGRAN is a well known political leader in Quezaltenango where she practices law with her husband. [ ]

[ ] It was the birthplace of ARBENZ. However, when they saw him arrive on one of his trips with her in an open convertible, and as a result of her convincing speaking, she won the whole of Quezaltenango for him. (He carried this State in the 1950 election). She is a dynamic personality. He has seen her sway and control mobs of people. Quezaltenango is particularly important

~~SECRET~~

~~SECRET~~

- 6 -

because it is the capital of the old 6th State of Central America. In view of the afore-related association and evaluation [ ] she would make an excellent Minister of Justice.

15. EHRATIC stated he belongs to Rotary and subscribes to their program and aims.

~~SECRET~~